



**City of San Diego**  
**CARL DEMAIO**  
**CITY COUNCILMEMBER –DISTRICT 5**

**MEMORANDUM**

DATE: March 2, 2012

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Carl DeMaio 

RE: Fiscal Year 2013 Budget Recommendations and Priorities

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At the request of Councilmember Todd Gloria, Chair of the Budget and Finance Committee, I am submitting my budget priorities for fiscal year 2012-2013.

Last week, San Diego taxpayers were told that the City has a \$16.5 million surplus. As I expressed at this week's Budget Committee meeting, I encourage my colleagues on the Council to address the realities of our fiscal situation.

I am pleased to see the City on better financial footing than we have been in recent years. However, the unfortunate reality is that **we are still very much in the middle of a fiscal crisis**. Just this month we learned that the City's backlog of deferred maintenance on streets, storm drains, and facilities has grown to almost \$900 million. It is also anticipated that infrastructure conditions will continue to get worse over the next five years.

My initial priority in this year's budget process will be for complete openness, honesty, and transparency about the fiscal realities facing San Diego.

For years I have called for the inclusion of the infrastructure deficit in the City's budget so that we have a full measure of our financial situation. Just as the pension system's ARC is displayed as a line-item in the budget, proper funding for streets and other infrastructure should be viewed by Mayor Sanders and this Council as a required payment each year.

I also encourage the Council to address the realities of our pension system's \$2.2 billion unfunded liability, as well as retiree healthcare liabilities. In addition to the infrastructure deficit, these items are frequently not addressed when discussing our budget outlook. I encourage my colleagues to include these items in our discussion of the FY2013 budget.

Additionally, I continue to ask my colleagues to pursue cost-savings and efficiencies by encouraging the use of volunteers, public-private partnerships, and other means. I believe that we can begin restoring city services at lower cost than before by utilizing innovative new ways to deliver services to taxpayers.